



December 10, 2007

VIA ELECTRONIC FILING AND HAND DELIVERY

Chairman Kevin J. Martin
Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell
Federal Communications Commission
455 12th Street SW
Washington DC 20554

Re: AM/FM Subcaps
MB Docket Nos. 06-121, 02-277
MM Docket Nos. 01-235, 01-317, 00-244

Dear Chairman Martin:

I am writing to urge the Commission to consider changes to the subcap limit of the local radio ownership rules as part of the scheduled December 18, 2007 meeting on the overall media ownership proceeding. Specifically, I am hoping that the Commission will lift the limit of 5 AM stations that one entity can own in the largest markets. By lifting the limits, AM station owners can provide more minority oriented and diverse programming to the various ethnic populations in these markets.

I am the founder of Multicultural Radio Broadcasting Inc. ("Multicultural"), an Asian American owned company which I founded in 1983. For the next nine years, I participated in the Commission's hearing process to obtain a radio station and finally, in 1992, I started operating a single FM station in the New York City market. Despite significant adversity, I have since expanded my company substantially, and it is now the largest Asian American owned radio group, as well as the largest Asian American owned television group, in the United States. Building the company from the ground up, however, was not easy. I am a native of China and longtime resident of Taiwan, where I was interested in a broadcasting career. Before graduating from the Newhouse School with a master's degree in public communications in 1966, I worked several jobs and sixty hours a week to support my graduate studies. After graduation, I encountered many of the hurdles that I hear others wishing to enter the broadcasting industry complain of, and it was not until nearly twenty-six years later that I was able to operate a broadcast station of my own. During those years, I learned, through my close ties with the Chinese American community, there was a great need for Chinese language programming. Since I did not own a radio station in 1976, I created Sino Radio which provided Chinese programming utilizing a sub-carrier frequency from an FM radio station in New York City. I personally distributed receivers tuned to the sub-carrier frequency so that the Chinese community

could obtain the information they desired. In 1978 I duplicated this effort using a sub-carrier frequency on an FM radio station in Los Angeles, California. The demand for Chinese language programming has been so great that these subcarrier stations continue to operate today despite the AM stations I now own in these markets providing various Asian language programming.

Through subsidiaries, my company now owns 44 radio stations in several major markets across the country. All but one of my stations are in the AM service, and these stations predominately provide ethnic and foreign language programming directed to a variety of ethnic populations in their markets. For example, in New York, I own stations that offer foreign language and minority programming, including Spanish, Cantonese, Korean, Mandarin, and Black Gospel. In Los Angeles, my stations offer Spanish, Cantonese, Korean, Mandarin, Vietnamese, and Black Gospel programming. In all, my stations provide diverse programming in the following thirty languages, many of which are not found on any other radio stations in the country:

Afghani	Cambodian	Cantonese	Mandarin	English	Eritrean
Ethiopian	French	German	Greek	Haitian	Hindi
Hmong	Hungarian	Irish	Japanese	Korean	Lithuanian
Polish	Portuguese	Punjabi	Russian	Serbian	Spanish
Thai	Tongan	Ukrainian	Urdu	Vietnamese	Yugoslavian

I specifically chose to expand in AM properties, and to center my company's operations around AM stations, largely because they are lower-priced, and therefore the only service available to minority-owned and other small businesses such as mine.

If it is true that your plans do not include elimination of the subcaps, I strongly urge you to reconsider. As explained in my company's comments filed on October 23, 2006 in this proceeding, the subcaps limits are not helpful to the goals of diversity of programming. The FCC previously sought to justify the subcaps based on "significant technical and marketplace differences between AM and FM stations," and asserted the Commission's view that "many . . . AM stations have a news/talk/sports or ethnic format." But my experience offers living proof that a vibrant radio business can be built through the operation of AM stations serving niche populations. My company has been built up through the AM service. This shows conclusively – and contrary to the FCC's apparent view – that success *can* be achieved by offering unique programming even with supposedly "inferior" AM stations providing "ethnic" formats. Indeed, as a minority-owned broadcaster specializing in the operation of ethnic-formatted stations, I can attest to the importance of these AM stations to the markets they serve. In each market where we own stations, we provide news, information and entertainment specifically tailored to the needs of underserved populations in their own language, every single day. This benefits the nation as a whole and enhances the country's terrestrial radio broadcast service.

The AM/FM subcaps also create anomalies that only further serve to underscore their irrationality. For instance, my company owns five AM stations in Los Angeles, a market with 90 stations. Under the current rules, we cannot own any more AM stations, although the current rules would allow us to acquire an additional three FM stations. The situation is even more absurd with respect to New York, where there are 149 stations and my company owns a grandfathered combination of six AM stations. While we could own two FM stations (or three FM stations if one of the AM stations is divested), we cannot own any more AM stations. This

defies common sense. And, importantly, eliminating the subcaps would not allow anyone to own any more stations, just a different group of stations.

In addition, I understand that you are also considering separate proposals to advance minority broadcast ownership. My company provides an example of how lifting the AM/FM subcaps could further opportunities for minority-owned and other small businesses to enter and expand their presence in the broadcast industry. At the same time, continuing to limit these opportunities through artificial subcaps on same-service ownership is inconsistent with the objective of promoting minority broadcast ownership.

In sum, there is no reasoned basis for retaining the AM/FM subcaps, and I strongly urge you to eliminate them. My company provides real-world evidence that, contrary to the Commission's suppositions in 2003, a viable radio business can be built as much around the operation of ethnic-formatted AM stations as around music-formatted FM stations. The subcaps serve only to artificially limit the growth of Multicultural and other operators of a similar nature, to the detriment of both the radio broadcast service and the unquestionably valid objective of diversifying programming and ownership.

Finally, I wanted to note that my previous attempts to schedule meetings during the week of December 3 to discuss this issue with you personally were unsuccessful, due to the understandable press of other Commission business during that period. I do, however, feel strongly about this issue. Accordingly, if the issue of the AM/FM subcaps is deferred past the currently scheduled December 18 meeting date, I would be very interested in visiting any of you to discuss this matter should your schedules allow.

In accordance with Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, one electronic copy of this letter is also being filed in each of the above-referenced dockets.

Sincerely,

/s/

Arthur S. Liu
President
Multicultural Radio Broadcasting, Inc.

cc (via email): Catherine Bohigian
Michelle Carey
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